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October 9, 2013

Kevin Nelson
PO Box 23107
Billings MT 59104

RE: *Request for Information*

Dear Mr. Nelson:

Our firm serves as General Counsel for the Montana Municipal Interlocal Authority ("MMIA"). We have been asked to respond to your request for information contained in the letter sent from you to Larry Bonderud, Chair of the MMIA, dated September 21, 2013 which was received by the MMIA on October 1, 2013. In this request, you reference a meeting that was held by the MMIA Board of Directors on October 5, 2012, wherein Board Chair Larry Bonderud closed a portion of the meeting to discuss litigation strategy relating to a lawsuit that was filed against the MMIA and Government Entities Mutual, Inc. ("GEM") by the City of Bozeman. You are requesting notes and minutes of this discussion.

During the October 5, 2012 meeting, MMIA Board Chair Bonderud closed a portion of the meeting so that the MMIA Board of Directors could discuss litigation strategy in the case, *City of Bozeman v. Montana Municipal Interlocal Authority, and Government Entities Mutual, Inc.*, Cause No. CDV-2010-395. Government Entities Mutual, Inc. is a private, non-profit corporation domiciled in Washington D.C. Therefore, the meeting was closed to discuss strategy concerning litigation which involved a private party and thus the provision found in Montana Code Ann. 2-3-203(4)(b) is not applicable. Since the meeting was closed, and no decisions were voted on, the MMIA has no minutes or notes to provide you.

You also enclosed with your letter a Memorandum sent to the Bozeman City Commission from City Attorney Greg Sullivan dated December 10, 2012, wherein Mr. Sullivan advised the Commission that their "meeting must remain open because all parties to this litigation are public entities". For the reason stated in the preceding paragraph, the MMIA disagrees with this analysis and the mischaracterization of GEM's status. As noted, GEM is not a public entity.

Education & Local Gov't Committee
December 2, 2013

Exhibit 15

What is GEM?

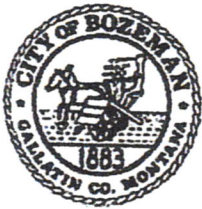
Government Entities Mutual, Inc. PCC

GEM is a protected cell reinsurance captive domiciled in the District of Columbia. Membership in GEM is available to single **public entities, public entity** self-insured groups, risk pools or captive insurers comprised of **public entities** or risk purchasing groups (**public entities**). Like its underlying members, GEM is exempt from Federal Income Tax, under private letter ruling issued by the Internal Revenue Service. GEM provides reinsurance coverage to its members for liability, property, and workers' compensation. Answers to many of your questions can be found under the Frequently Asked Questions (FAQ's) link on our website or feel free to contact us info@gemre.com.

Vision & Mission

GEM Vision is:

A financially sound and member-driven, long-term business **partnership for the benefit of public entities**. GEM will focus on collaborative and innovative member services and risk transfer initiatives.



Commission Memorandum

REPORT TO: Honorable Mayor and City Commission

FROM: Chris Kukulski, City Manager
Greg Sullivan, City Attorney

SUBJECT: **Decision on Terms of Settlement with the Montana Municipal Interlocal Authority and Government Entities Mutual, Inc. in Cause No. DA-120311 (First Judicial District Court)**

MEETING DATE: December 10, 2012.

AGENDA ITEM TYPE: Action.

SUGGESTED MOTION: *I hereby move to authorize the City Manager to execute a settlement agreement and release in substantial conformance with the terms outlined in the staff memorandum.*

BACKGROUND: This agenda item requests you consider the MMIA's final offer of compromise in the declaratory judgment action the City filed against it and the MMIA's reinsurer, GEM, over coverage of a \$3 million damage award in *Delaney v. City of Bozeman*. If acceptable, I ask you authorize the City Manager to execute a final agreement in substantial conformance with the terms of settlement listed below. A suggested motion is provided below.

This memorandum does not provide discussion on the underlying litigation which began in 2003 and was finalized with a decision by the Montana Supreme Court in December of 2009. Also, because all the parties to this litigation are public entities your discussion must be open to the public. Commission decisions on accepting settlements must be open to the public as a matter of law.

In the early spring of 2010, you authorized the filing and serving a declaratory judgment action to resolve a legal dispute between the City and the MMIA/GEM regarding whether the MMIA was obligated to provide coverage for the entire *Delaney* damage award. The complaint is attached. Judge Seeley ruled in favor of the MMIA on the grounds that the City had financially gained from the purchase of the Mandeville Farm property denying coverage. Judge Seeley's decision is also attached. The City has appealed Judge Seeley's decision to the Montana Supreme Court.

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Internal Use

Frequently Asked Questions

Is the MMIA a government agency?

Yes, the MMIA was created under the authority of the Montana Interlocal Cooperation Act (Title 7-11, Parts 1 through 4, MCA). The MMIA is owned by the cities and towns who participate in its coverage Programs. The MMIA operates as an interlocal government agency.

I need Loss Reports, who do I speak to?

I have a question about a specific Loss Report that I received.

My city/town is a member of MMIA; how do I get claim forms?

Liability Program

Does the MMIA provide liability coverage for miscellaneous items, such as skate board parks, etc?

Workers' Compensation

What do I do if I have an injury on the job?

What workers' compensation medical benefits are provided?

Are my workers' compensation medical benefits open forever?

What if I can't work at all for a while?

Property Program

When do I have to notify MMIA of changes in my Property?

What MCA pertains to bonding and Crime coverage?

**Montana Municipal Insurance Authority
Claims Committee Meeting
June 22, 2007**

The Claims Committee of the Montana Municipal Insurance Authority met on Friday, June 22, 2007. The meeting was called to order at 11:45am by Chair Jim Nugent.

Members present were Jim Nugent, Tim Magee, Marlene Mahlum, Kelly Audet, Gary Marks and Larry Bonderud. Paul Luwe and Brent Brooks participated via conference call.

Also in attendance were MMIA staff Bob Worthington, Alan Hulse and Linda Coombs and Attorney Steve Wade.

Chair Jim Nugent closed the meeting to discuss litigation strategy in the matter of Feuerstein v. City of Billings.

After discussion the meeting was reopened at 12:19 p.m.

There being no other business to come before the Committee the meeting adjourned at 12:20 pm.